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FLOOR DEBATE

January 18, 2002 LB 58, 417

LB 417.

SENATOR CUDABACK: LB 417 does advance. Mr. Clerk, next agenda item?

CLERK: Mr. President, the next bill, LB 58, offered by Senator Coordsen. (Read title.) The bill was introduced on January 4, referred to the Banking, Commerce and Insurance Committee, advanced to General File. I have no amendments at this time, Mr. President.

SENATOR CUDABACK: Senator Coordsen, you're recognized to open on LB 58.

SENATOR COORDSEN: Thank you, Mr. President and members of the body. LB 58 is a relatively small bill that has the potential of large impact for homeowners. What this bill provides for is that if a home is totally destroyed that the contents of that home are also judged as being totally destroyed. Now, that raises some questions in the minds of the insurance industry. It has, I think, and a great number of us here on the floor of the Legislature are in fact homeowners and we know that the common practice for the companies that sell property insurance in the state of Nebraska, particularly homeowner's insurance, is to establish a value, replacement value, for the home. While there are varieties of insurance, the common...the most common one, I believe, is a value established for the home and then an automatic 50 percent of that for the contents. And it is the assumption, I think, of many homeowners, policyowners, that if their home disappears by virtue of tornado, flood, fire or any of the causes that are insurable, that cause the total loss...that may cause a total loss of a home, that the common assumption is that their contents, their personal possessions, are afforded like protection, and that is not quite true. The contents are afforded like protection if you can inventory and price all of the items in your home. There are co...and this varies from company to company, but there are companies that will require you, even to the extent of gifts that you've received, to give the name of the giver, receipts if any that the giver might still have, and the cost of the item, before they can be included in the inventory. What I'm going to be